

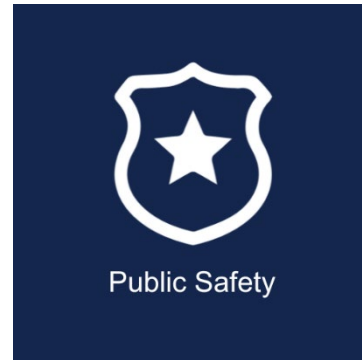
FY26 Budget Workshop

March 5, 2025



C I T Y O F
RENO

Alignment with Strategic Plan



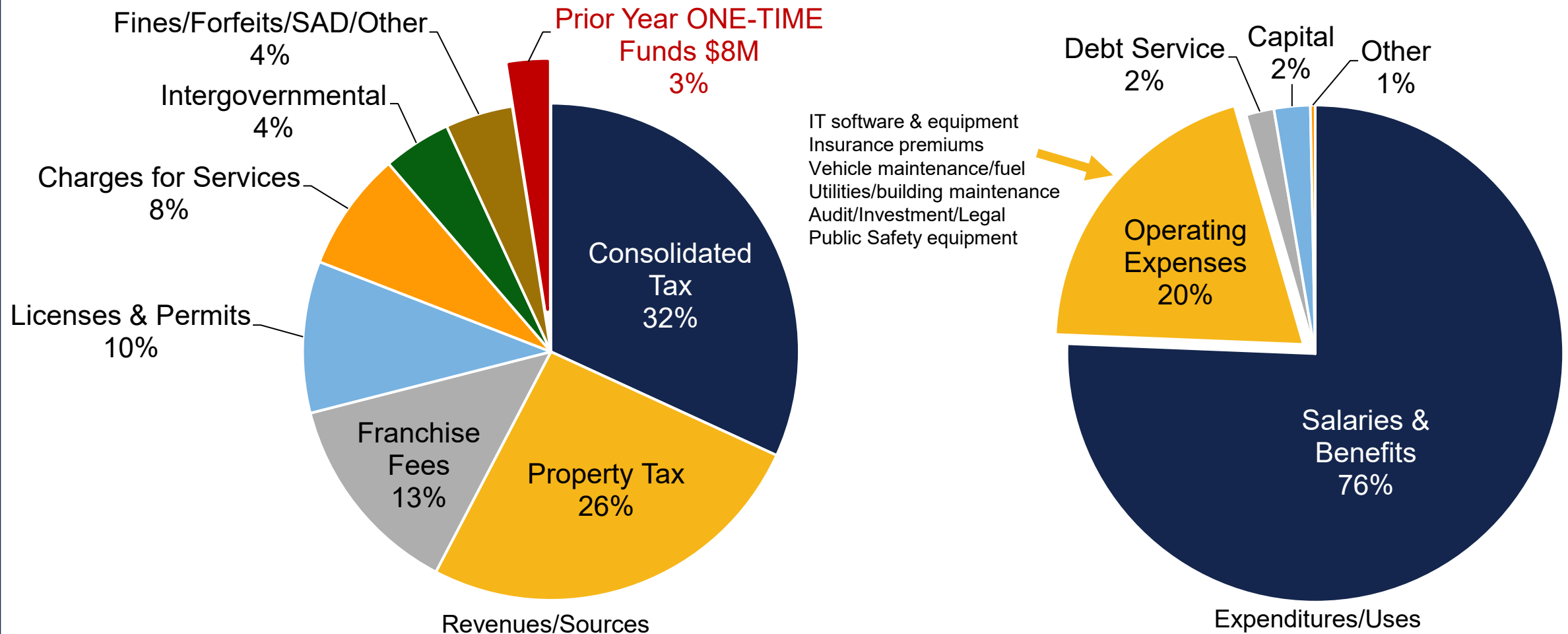
Agenda

- Review FY2025
- FY2026 Budget Overview
 - General Fund Revenues
 - General Fund Expenses
 - Special Revenue Funds
 - Enterprise Funds
 - Internal Service Funds
- Fee Schedule Overview
 - Public Works
 - Parks & Recreation
 - Development Services
- Next Steps...

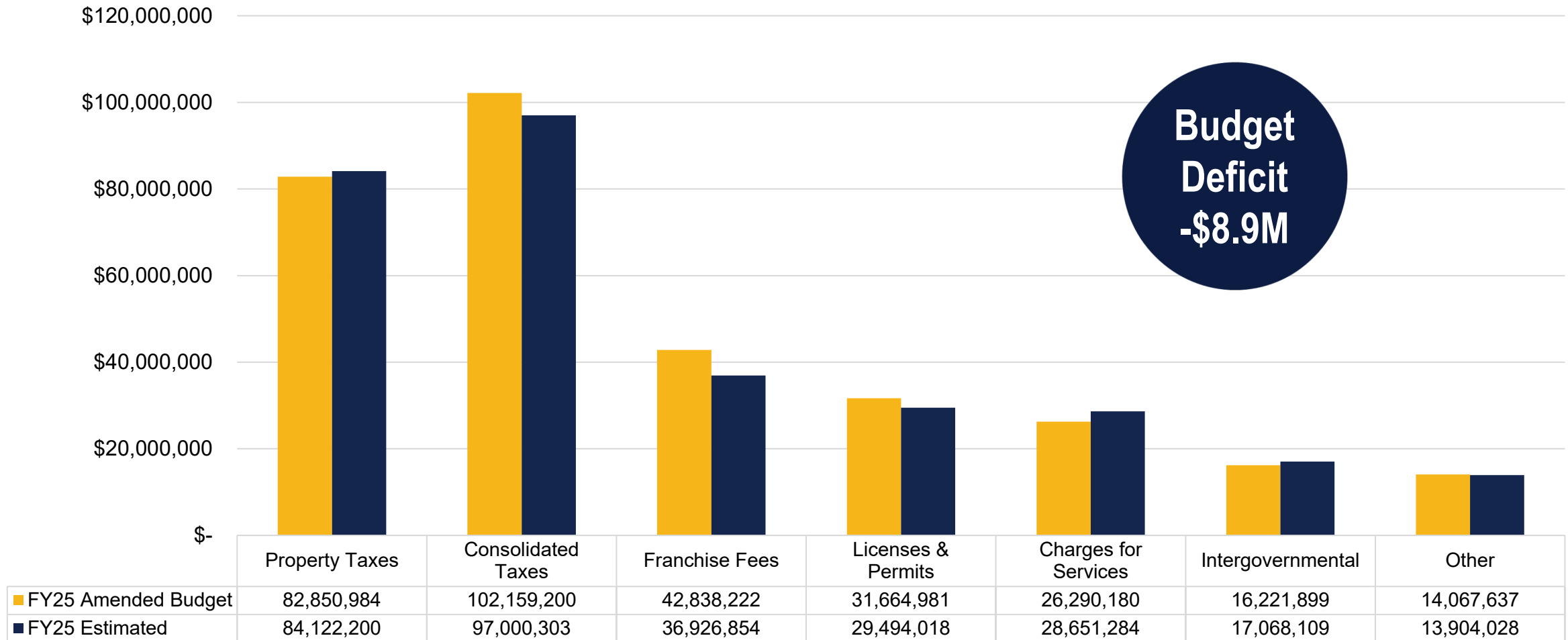


historical resources
parks downtown police
parking blight infrastructure
Council pros plan
fire headquarters
river rangers public safety sustainability
abandoned vehicles safety
tools for better policing art
murals code enforcement
trees FY2025 revitalization
reno arch capital programs opeb
fiscal sustainability noise in downtown
homelessness

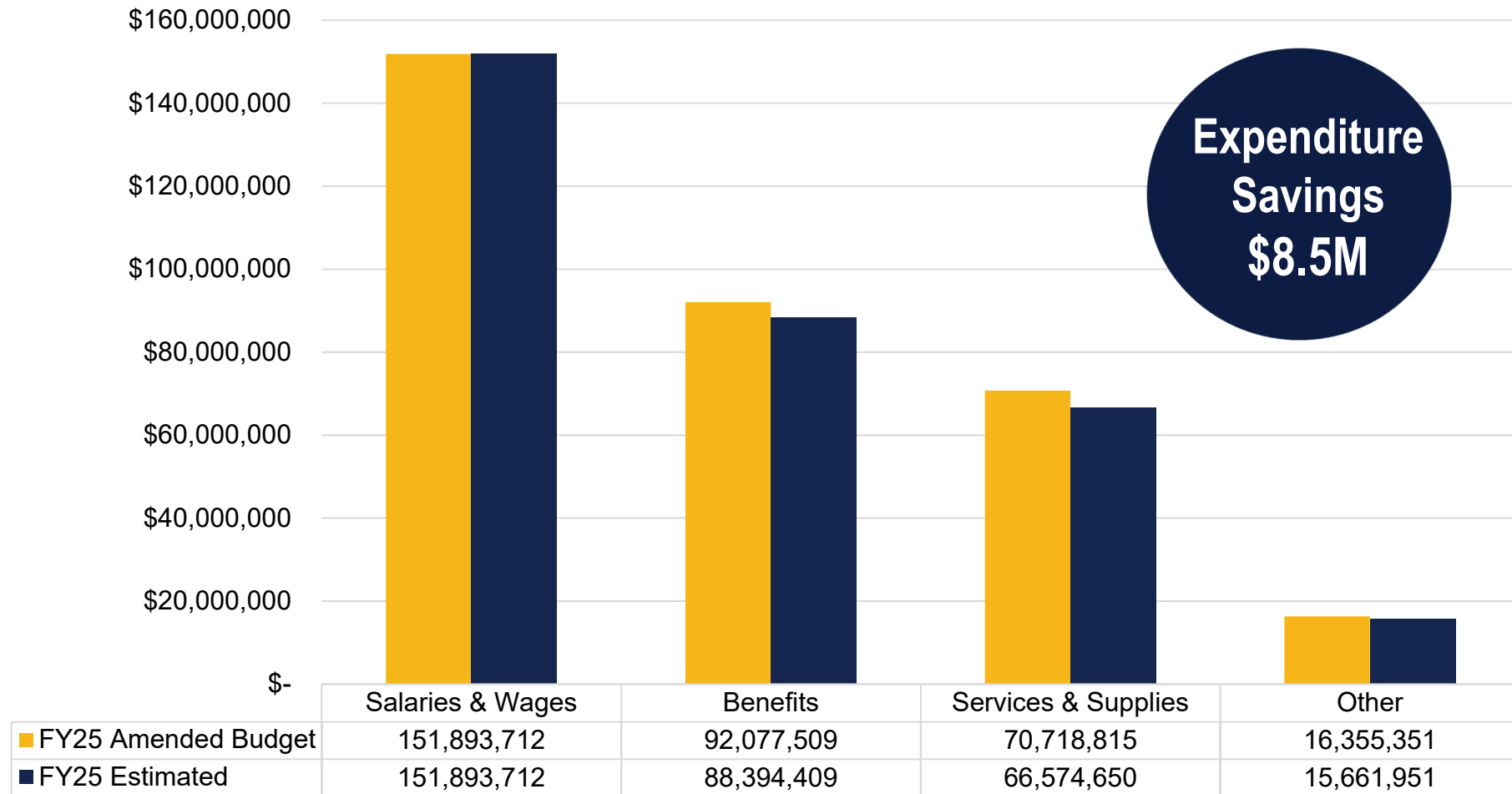
FY25 General Fund Budget



FY25 General Fund Revenues



FY25 General Fund Expenses



FY25 General Fund Budget Status

GENERAL FUND REVENUES	FY25 Amended Budget	FY25 Estimated	Compared to Budget (\$)	Compared to Budget (%)	Notes:
Consolidated Tax	\$ 102,159,200	\$ 97,000,303	\$ (5,158,897)	-5.0%	Based on flat growth for FY25
Property Tax	\$ 82,850,984	\$ 84,122,200	\$ 1,271,216	1.5%	Trending 1.5% above budget
Franchise Fees	\$ 42,838,222	\$ 36,926,854	\$ (5,911,368)	-13.8%	Electric, Gas, Telephone, Sanitation, Cable, Sewer
Licenses & Permits	\$ 31,664,981	\$ 29,494,018	\$ (2,170,963)	-6.9%	Business Licenses, Liquor Licenses
Charges for Services	\$ 26,290,180	\$ 28,651,284	\$ 2,361,104	9.0%	Fees for services
Intergovernmental	\$ 16,221,899	\$ 17,068,109	\$ 846,210	5.2%	Includes grants and freight house district passthrough
Fines/Forfeits/SAD/Other	\$ 14,067,637	\$ 13,904,028	\$ (163,609)	-1.2%	
Total Sources	\$ 316,093,103	\$ 307,166,796	\$ (8,926,307)	-2.8%	Estimated Revenue Shortfall

GENERAL FUND EXPENSES	FY25 Amended Budget	FY25 Estimated	Compared to Budget (\$)	Compared to Budget (%)	Notes:
Salaries	\$ 151,893,712	\$ 151,893,712	\$ -	0.0%	No salary savings from vacancies due to cash outs Benefit Savings from vacancies
Benefits	\$ 92,077,509	\$ 88,394,409	\$ (3,683,100)	-4.0%	
Salaries & Benefits Total	\$ 243,971,221	\$ 240,288,121			
Operating Expenses	\$ 70,718,815	\$ 66,574,650	\$ (4,144,165)	-5.9%	Savings based on current usage
Debt Service	\$ 5,861,202	\$ 5,861,202	\$ -	0.0%	Fire Apparatus, Public Safety Center, Moana Pool
Capital	\$ 9,750,749	\$ 9,750,749	\$ -	0.0%	Fire Apparatus, Building Maintenance, Parks, IT
Other/Contingency	\$ 743,400	\$ 50,000	\$ (693,400)	-93.3%	Savings from Contingency
Total Uses	\$ 331,045,387	\$ 322,524,722	\$ (8,520,665)	-2.6%	Estimated Budget Savings

Estimated Difference FY25 \$ (405,642)

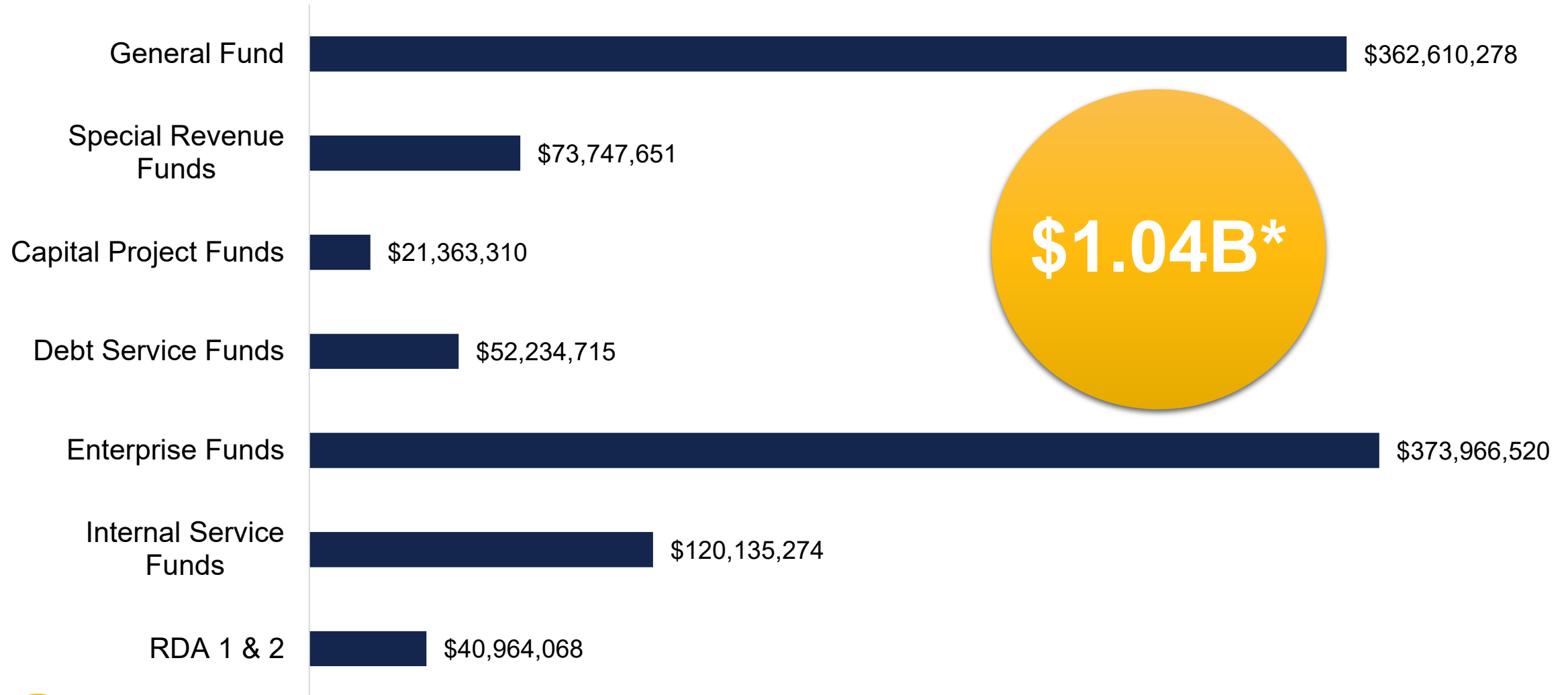


FY26 Budget Development Overview

- Baseline budget with current staffing levels and operating costs
- Revenue forecasts impacted by slowing of the economy –overall economic uncertainty
- Consolidated Tax estimated flat for FY25 and 2% growth for FY26
- Limited information on Consolidated Tax at this time due to a software change at the State level; true-up to occur in March
- Property Tax trending 1.5% above budget for FY25, projected at 7.7% FY26
- State property tax projections on March 25



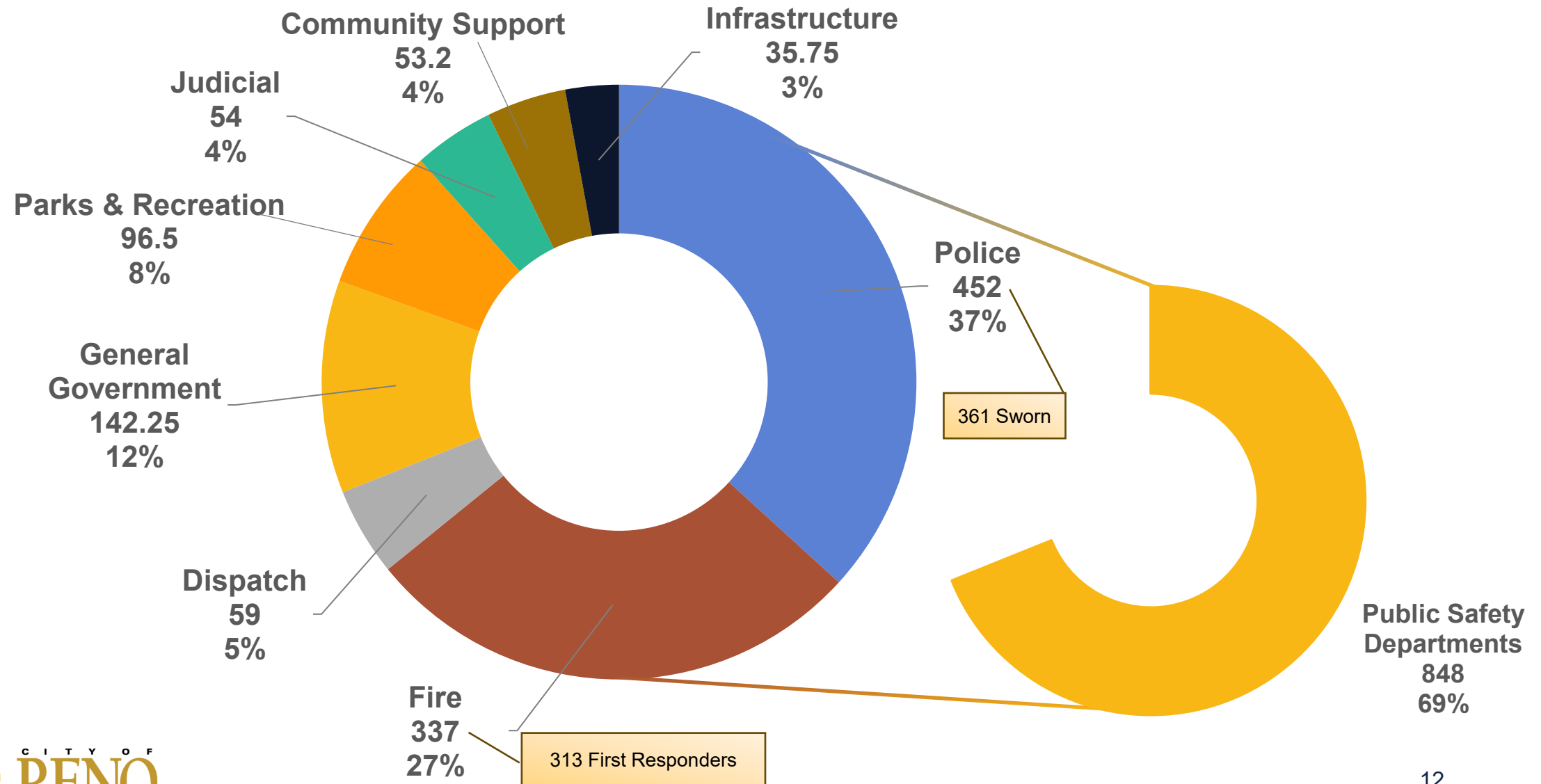
FY26 Budget Overview



FY26 Full-time Positions – All Funds

Area of Focus	% of Workforce in GF	General Fund	Grant Funds	Street Fund	Sewer Fund	Building Fund	Fleet Fund	Risk Fund	RDA	Grand Total
General Government	12%	142.25	-	-	11.00	1.00	-	4.50	6.25	165.00
Judicial	4%	54.00	-	-	-	-	-	-	-	54.00
Public Safety	69%	848.00	-	-	-	-	-	-	-	848.00
Infrastructure	3%	35.75	-	96.78	106.88	0.10	16.50	-	-	256.00
Parks & Recreation	8%	96.50	1.00	-	-	-	-	-	-	97.50
Community Support	4%	53.20	10.00	-	-	51.80	-	-	2.00	117.00
Grand Total		1,229.70	11.00	96.78	117.88	52.90	16.50	4.50	8.25	1,537.50

FY26 General Fund Positions

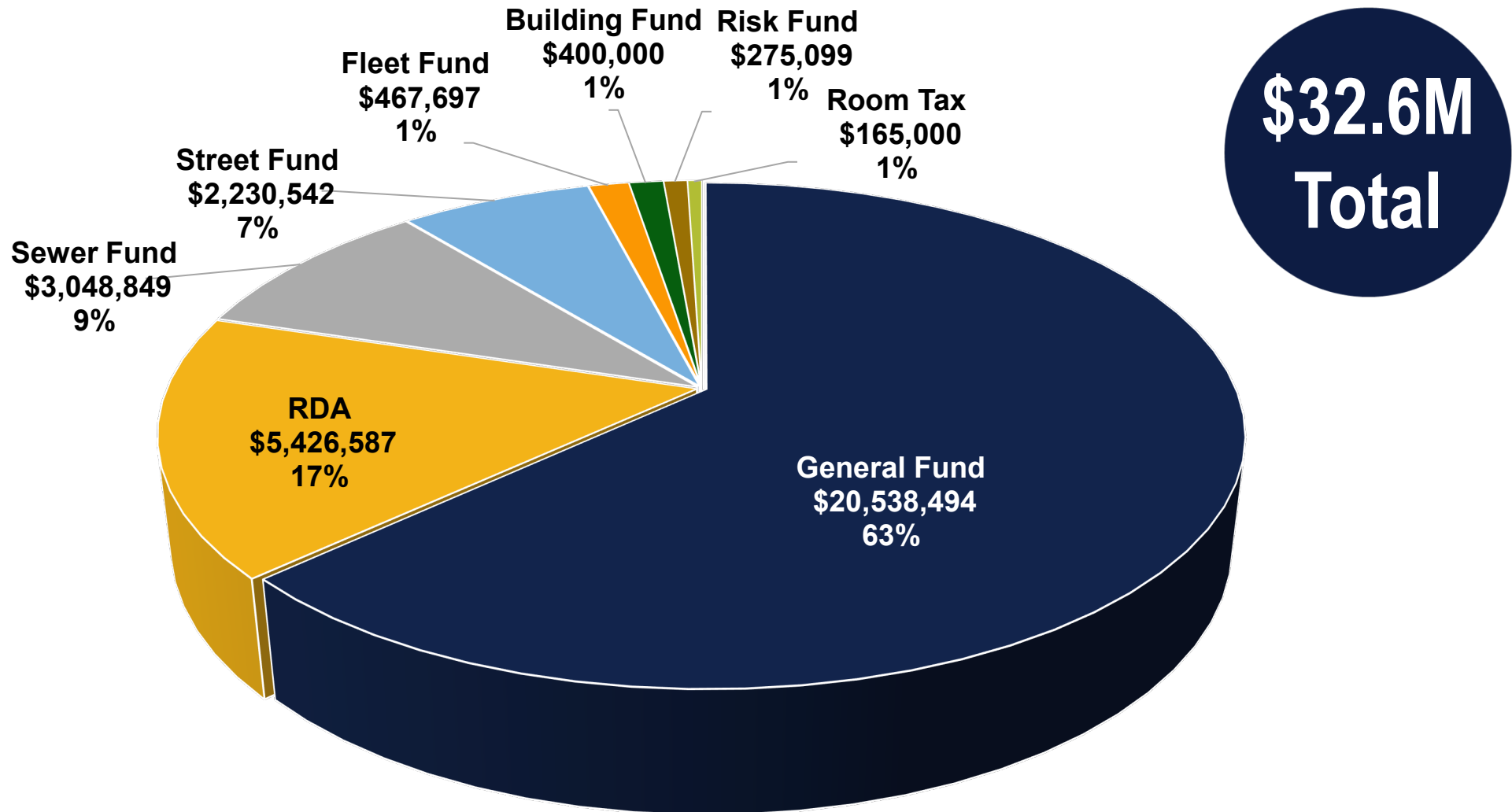


Municipal Government FTEs per Capita

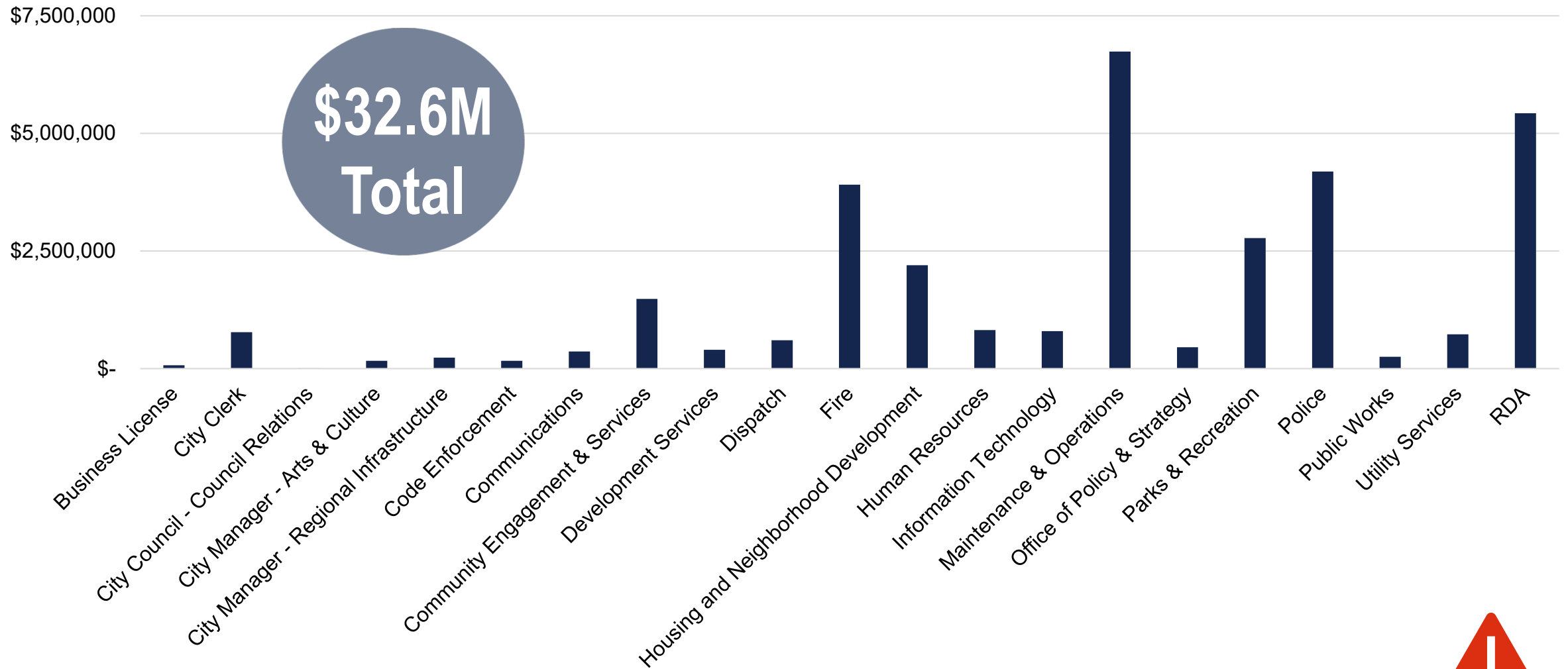
Local Government	Employees FY2024	Population FY2024	Employees Per 1000 Residents
City of Reno	1,484	277,517	5.3
City of Las Vegas	3,824	666,780	5.7
City of Sparks	668	111,735	6.0
Washoe County	3,138	498,022	6.3
City of North Las Vegas	1,860	282,496	6.6
City of Henderson	2,877	345,496	8.3
City of Provo	970	113,523	8.5
City of Boise	2,052	236,634	8.7
Clark County	23,108	2,350,611	9.8
Carson City	717	58,314	12.3

Source: 2024 Annual Comprehensive Financial Report

FY26 Additional Funding Requests – All Funds

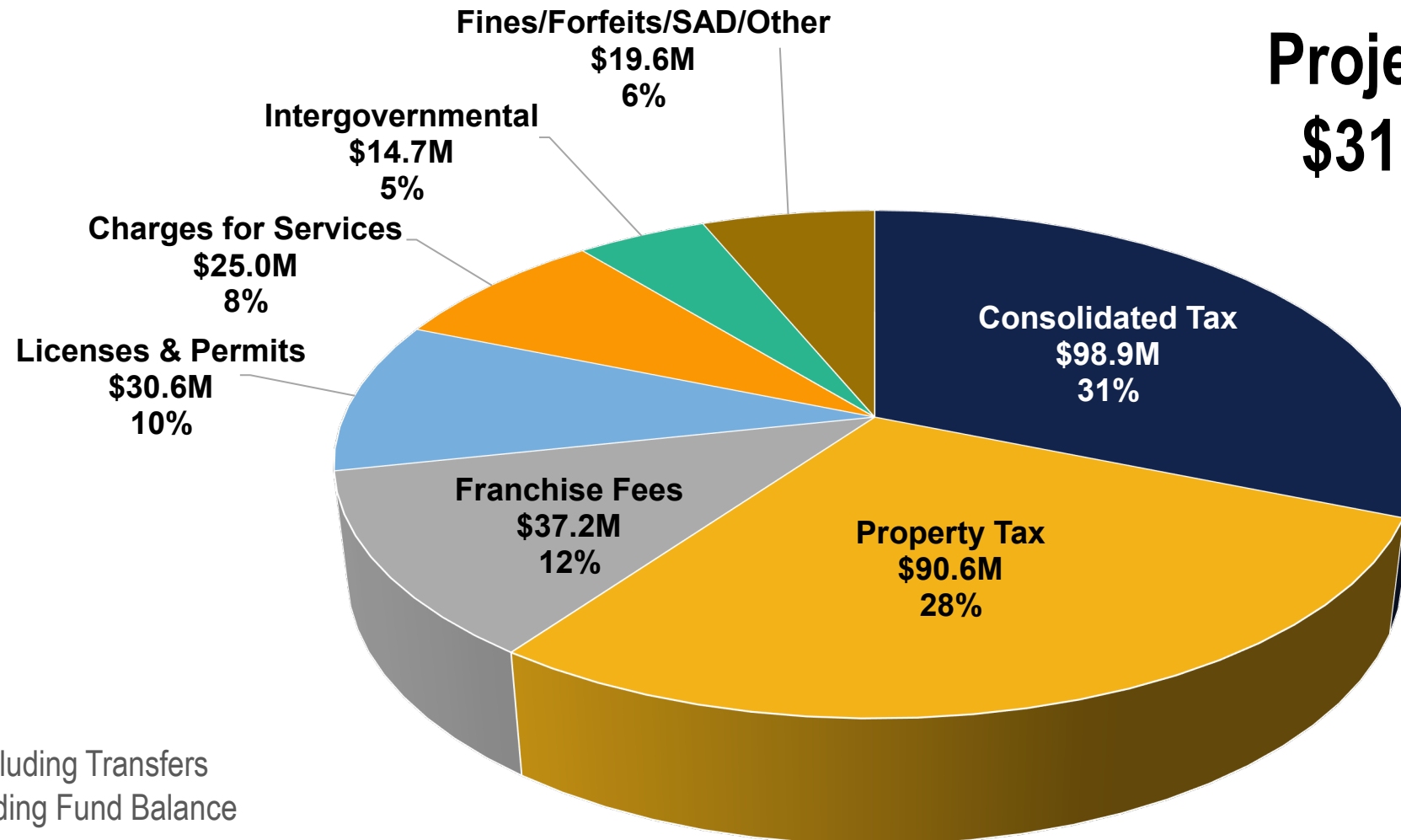


FY26 Additional Funding Requests – All Funds



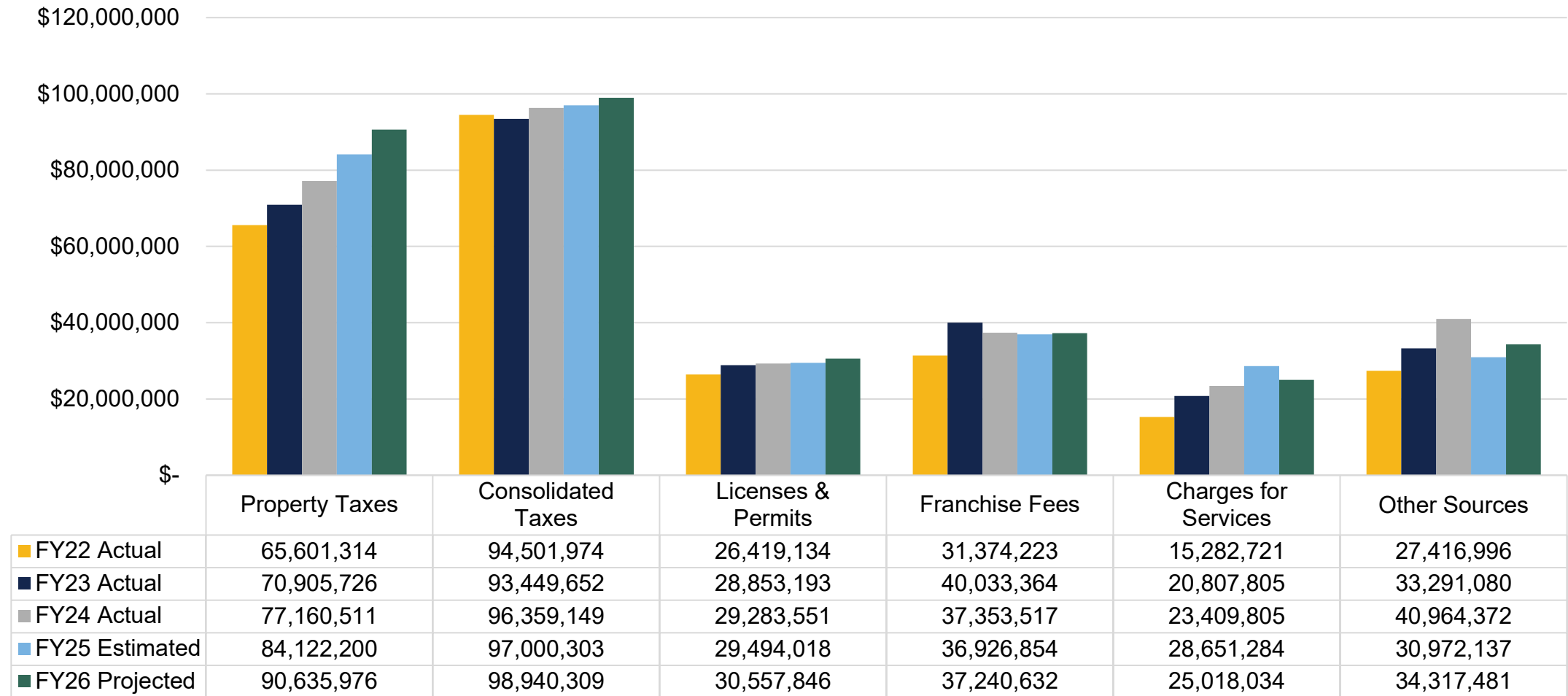
FY26 General Fund Revenues

**Projected FY26
\$317 Million***

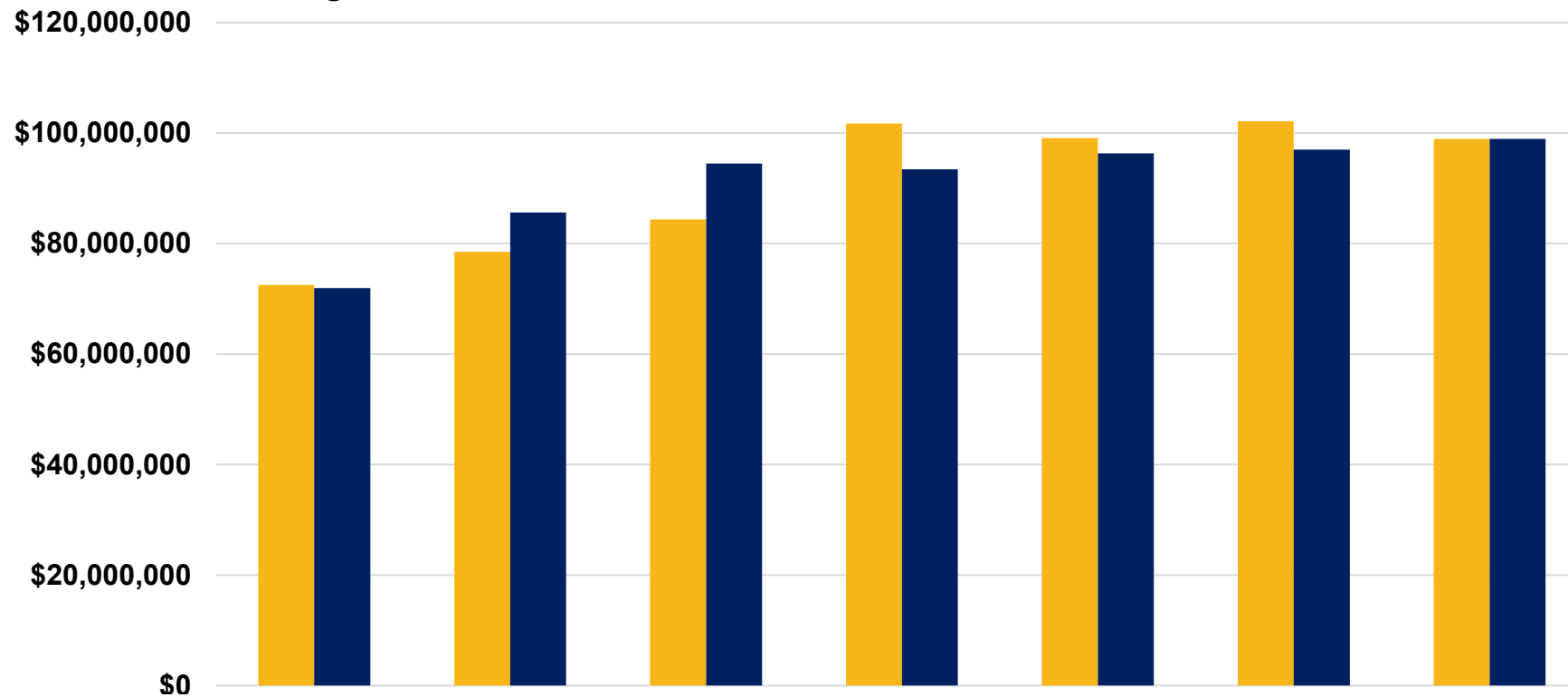


*Including Transfers
Excluding Fund Balance

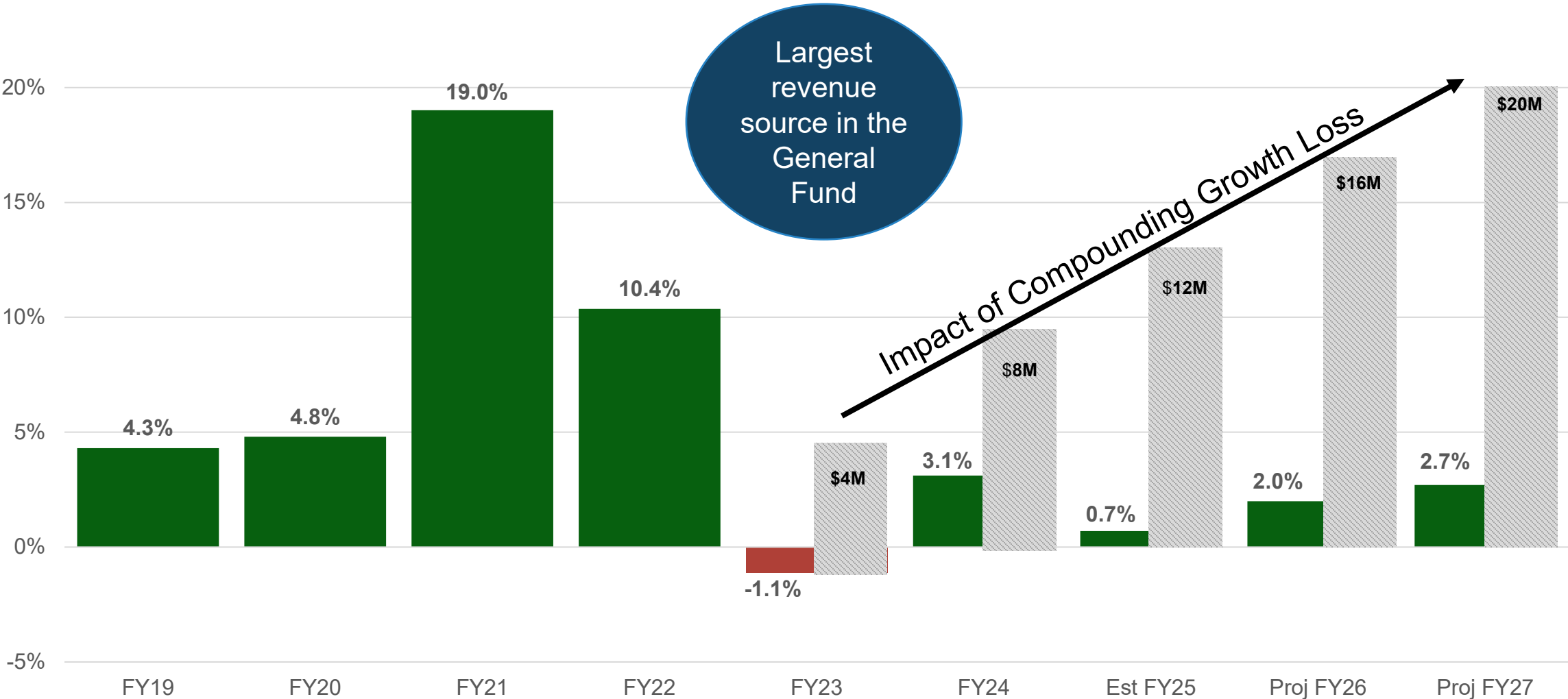
General Fund Revenue Overview FY22 – FY26



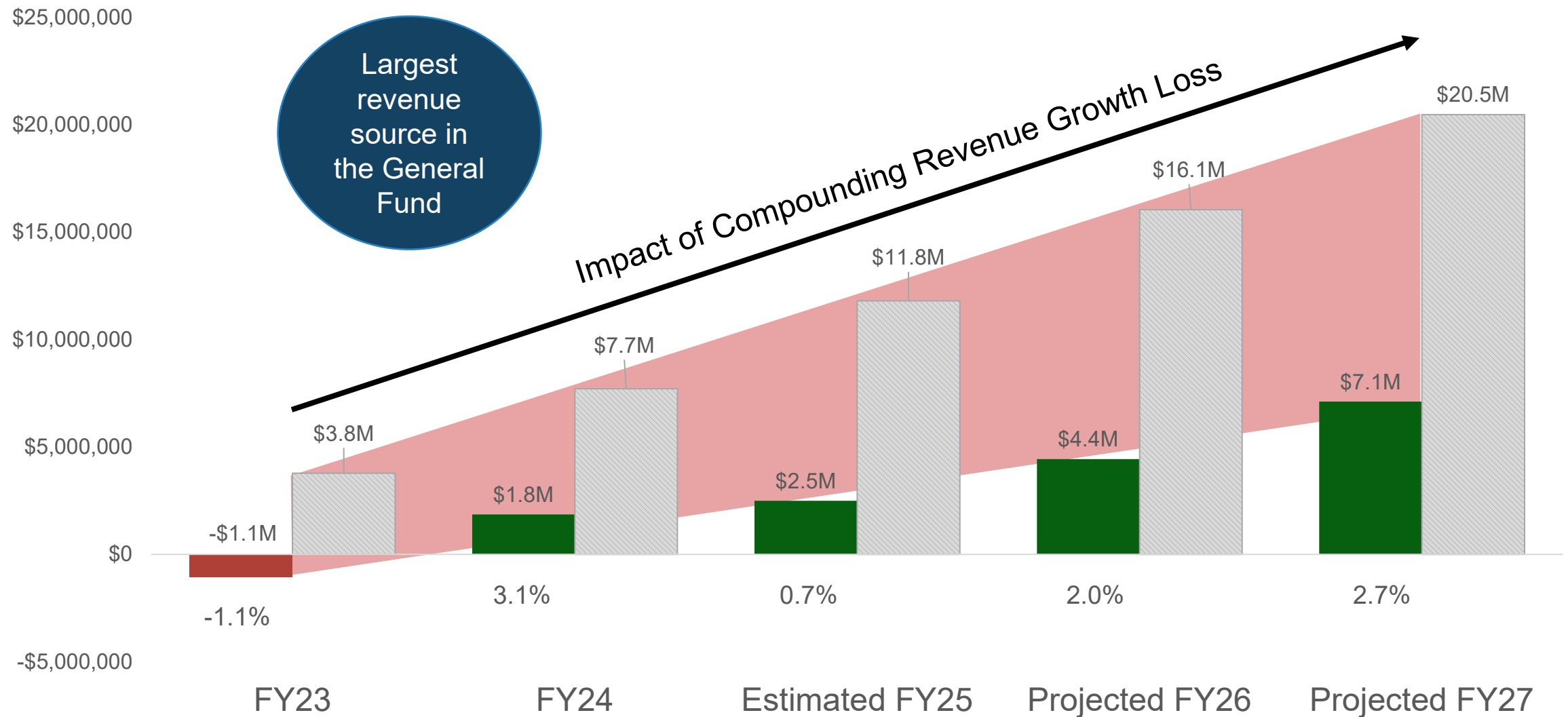
CTAX History FY20 - FY26



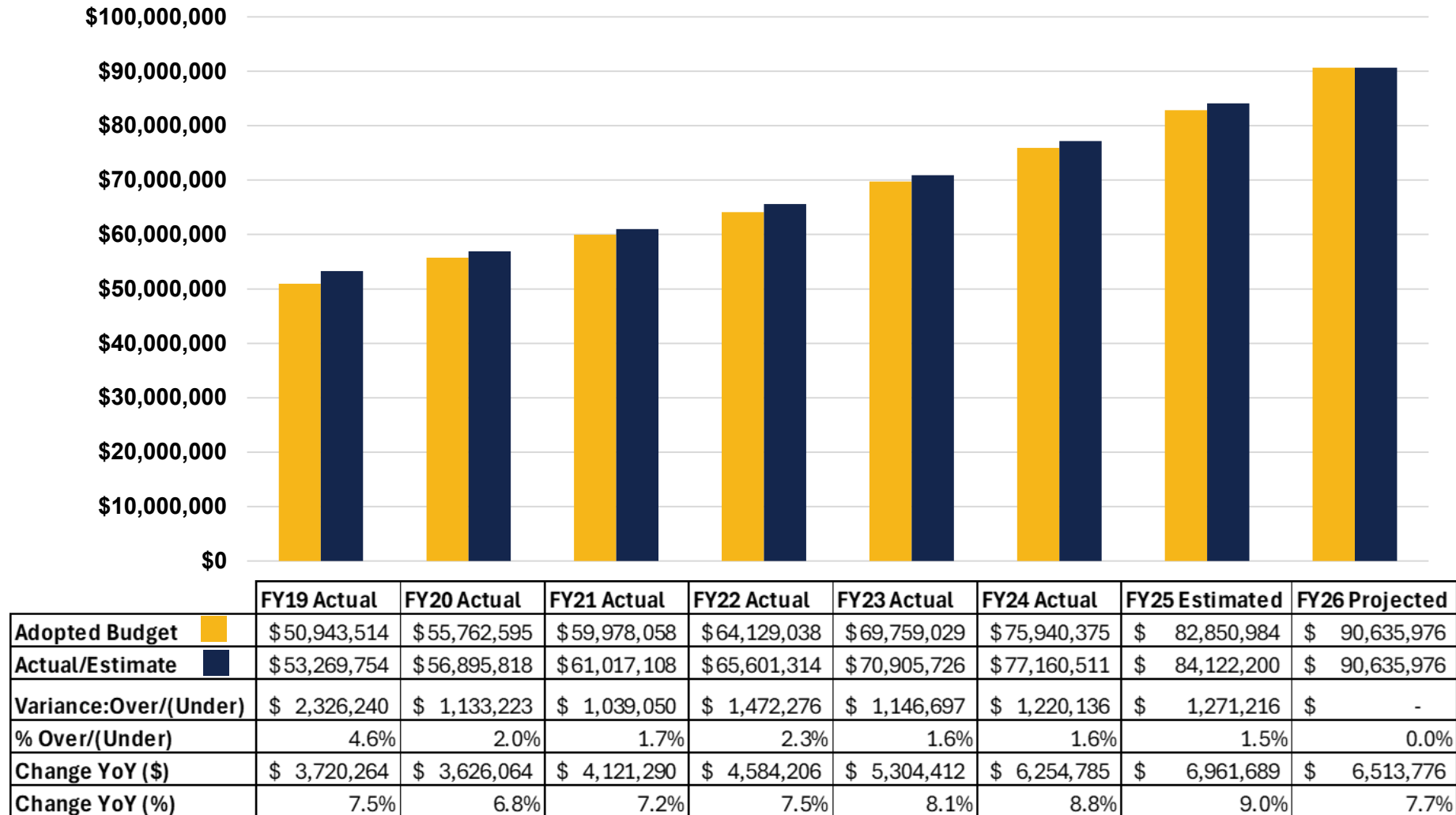
How Did We Get Here? Reduced Growth in CTax



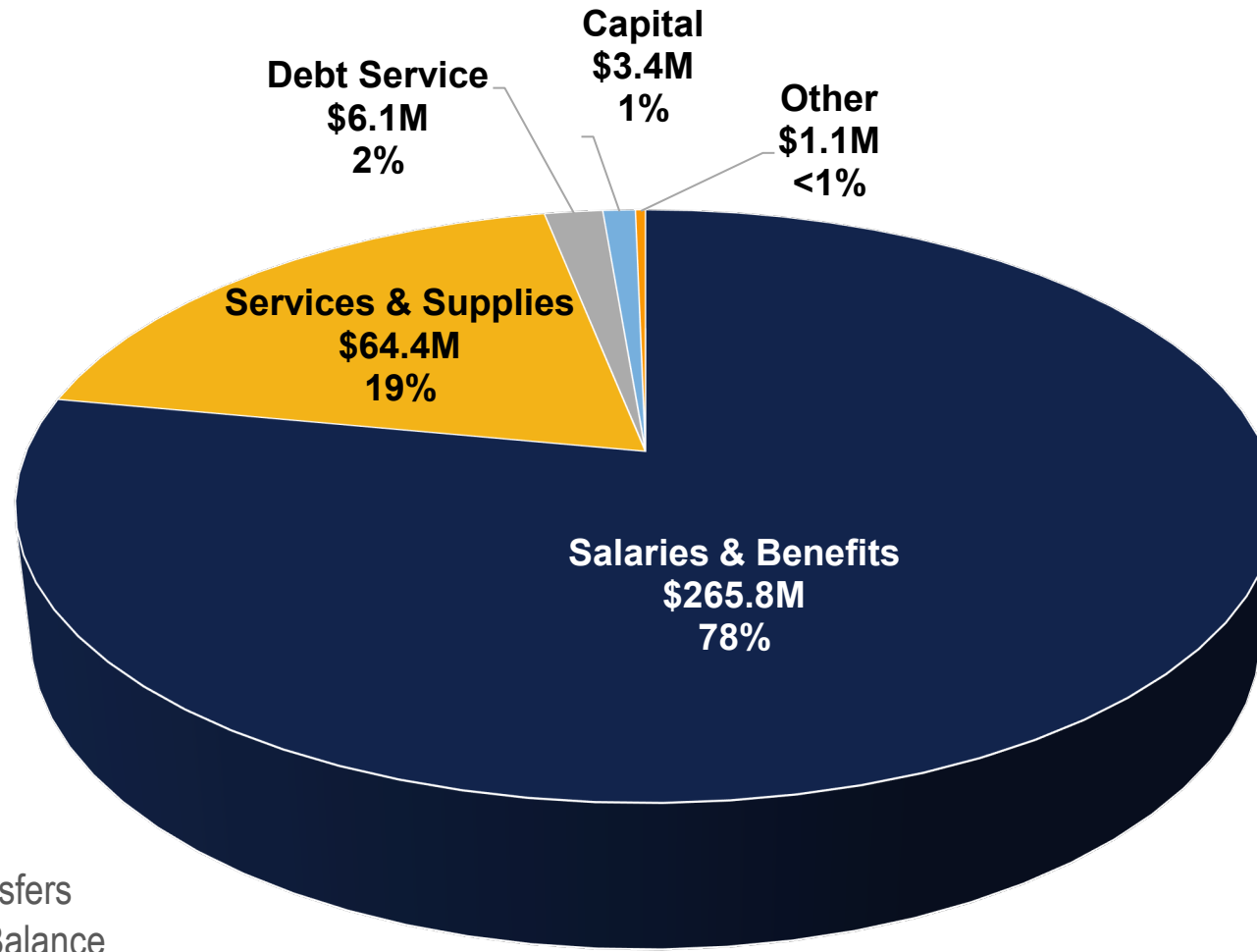
How Did We Get Here? Revenue Growth Loss



Property Tax History FY20 - FY26



FY26 General Fund Expenses



**Projected FY26
\$341 Million***

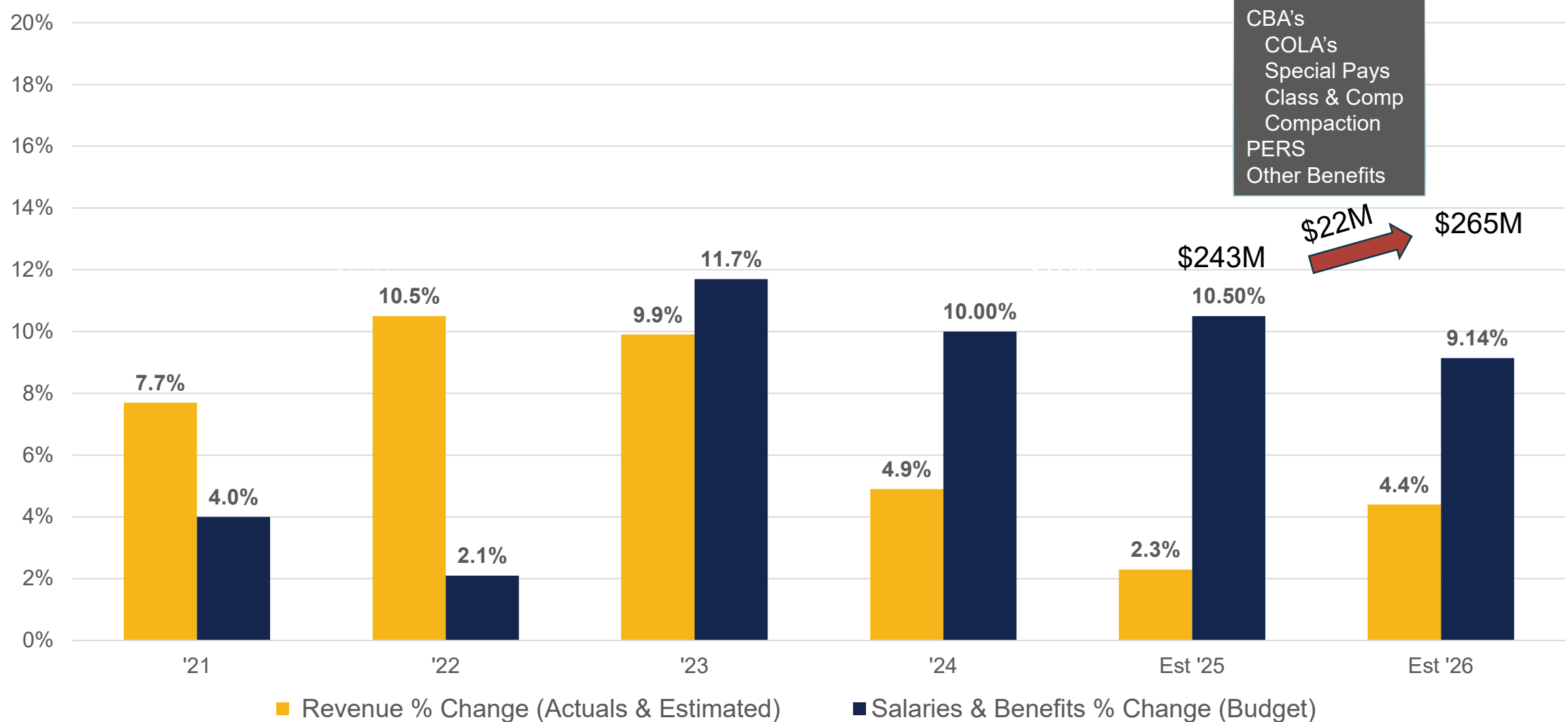
Impacts not addressed yet:

- CBA Contract Reopeners (\$ unknown)
- IAFF Contract (\$ unknown)
- FLSA Overtime (estimated < \$1M)

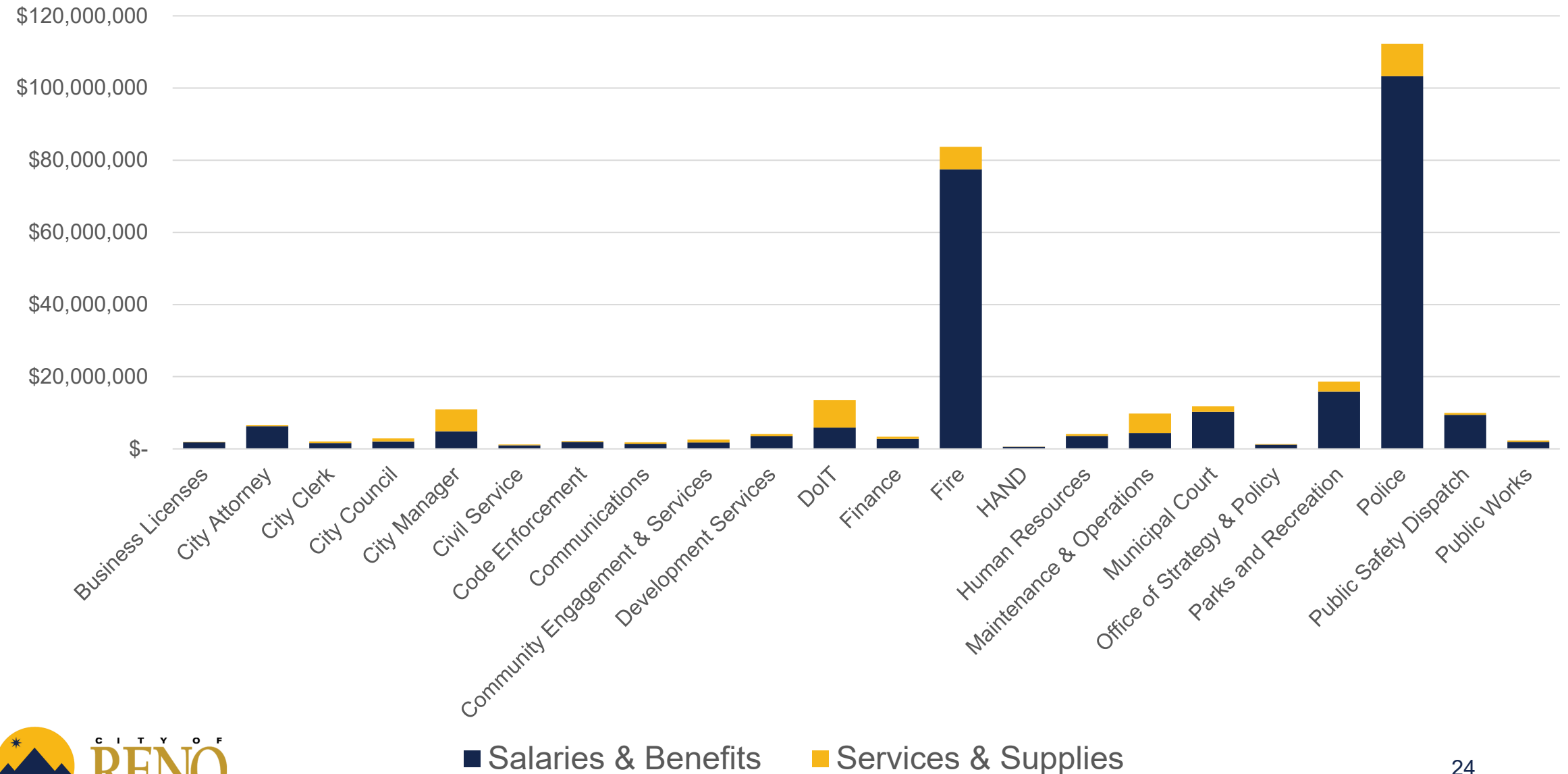
*Including Transfers
Excluding Fund Balance

How Did We Get Here?

Compounding Impact of Lost Revenue and Increased Labor Costs



FY26 General Fund Expenses by Department

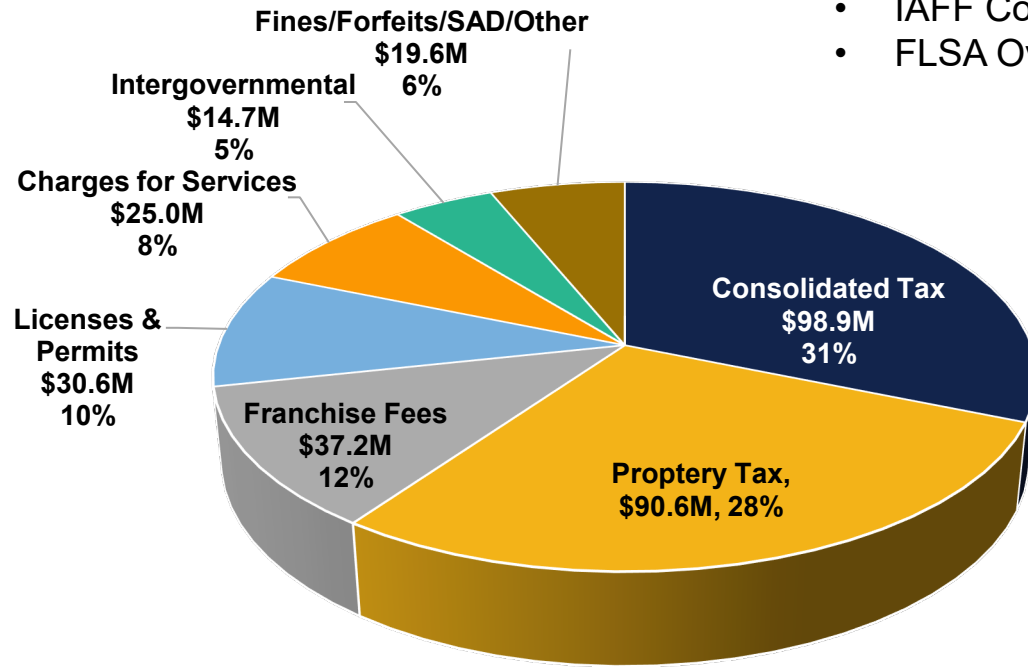


FY26 General Fund Budget Deficit

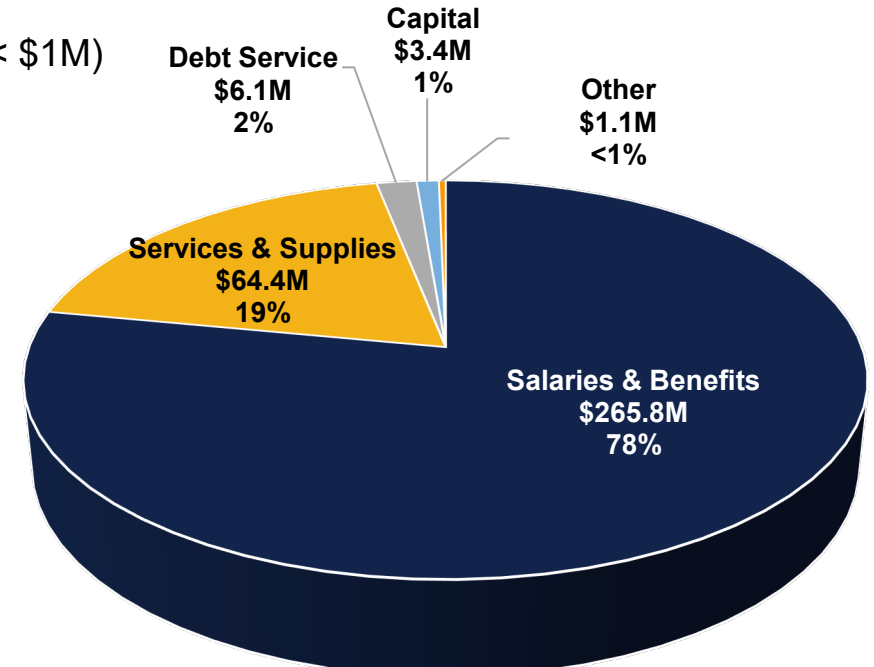
Budget Deficit ~ \$24M

Impacts not addressed yet:

- CBA Contract Reopeners (\$ unknown)
- IAFF Contract (\$ unknown)
- FLSA Overtime (estimated < \$1M)



Revenues
\$317M



Expenses
\$341M

*Including Transfers
Excluding Fund Balance

How do we address the FY26 funding gap?

\$4M Reduction to Operating Expenses

- \$3M - Reduce department services & supply budgets by 5%
- \$1M - Eliminate Contingency

\$16.4M in One-time funds

- \$1.5M - Use SAD Excess Funds
- \$735K - Use Property Sales
- \$3M - Use One-time Capital Funds
- \$3.4M - Eliminate Annual Capital Funds
- \$4M - Reduce Fleet Replacement Funds
- \$1M - Reduce Workers' Comp Funding
- \$2.8M - Use Fund Balance

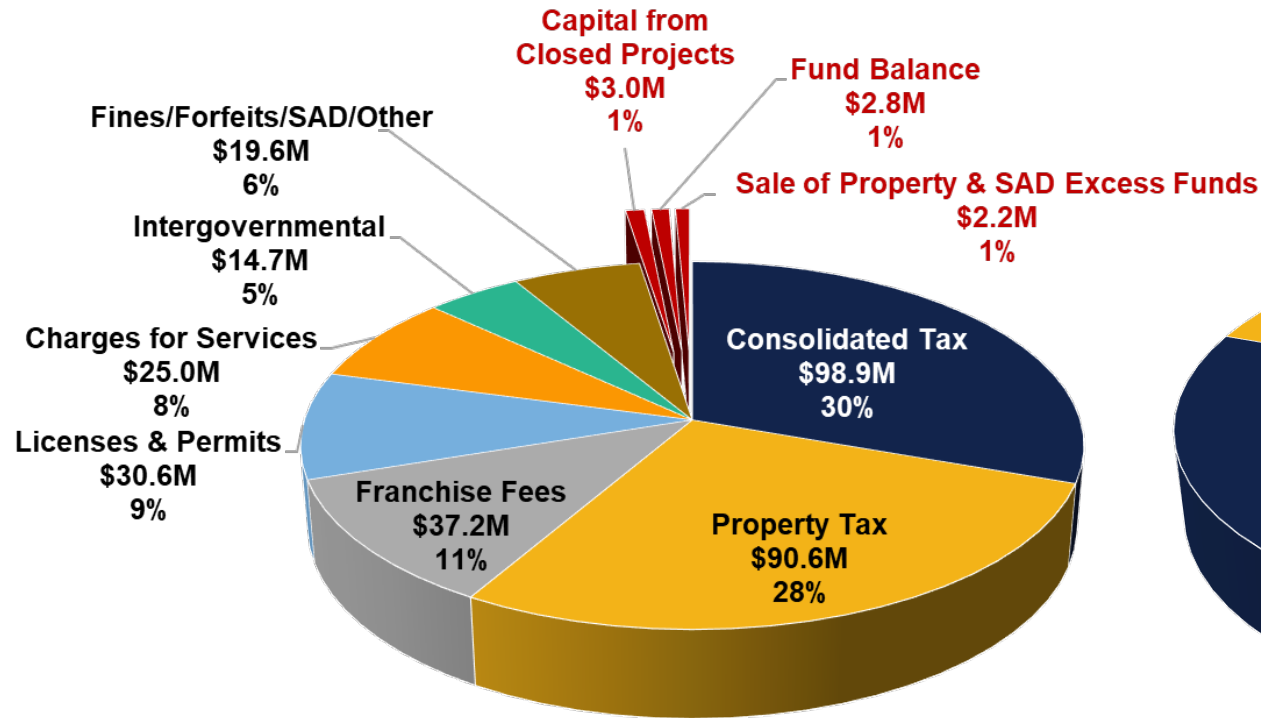
\$3.7 Remaining Gap

- For Discussion



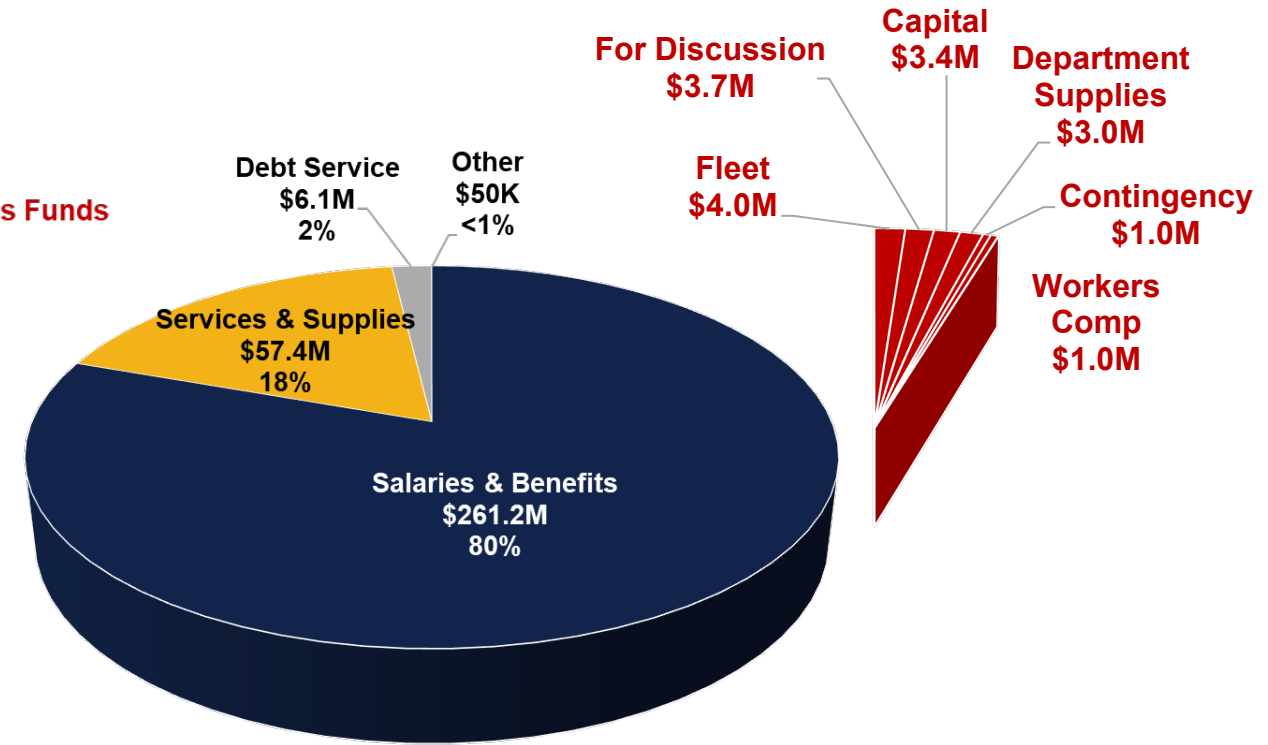
FY26 General Fund with Proposed Solutions

\$8M ONE-TME Funds



Revenues
\$325M

\$16M Reductions



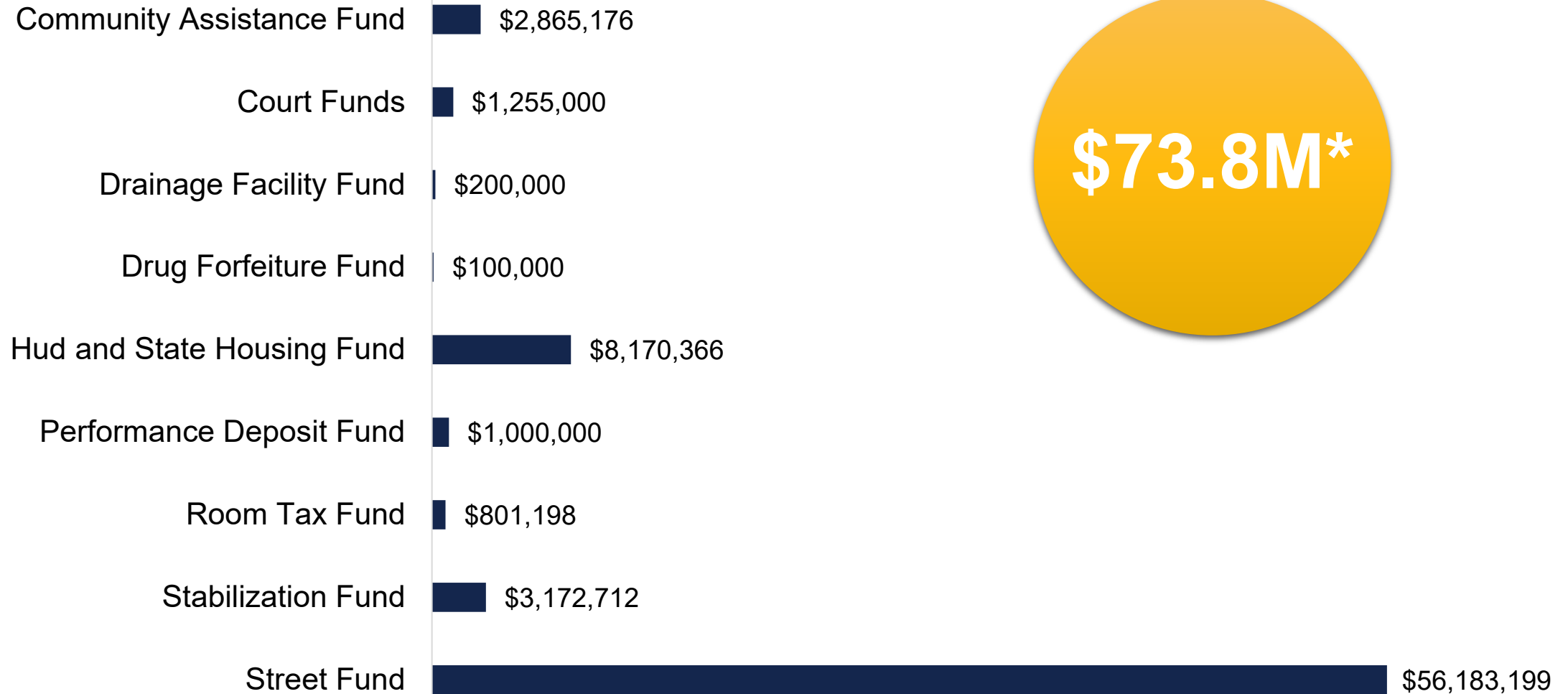
Expenses
\$325M

*Including Transfers
Excluding Fund Balance

Special Revenue Funds



FY26 Special Revenue Funds



– Street Fund – \$39.8M Revenue

Revenues

The Street Fund is a Special Revenue Fund, meaning that the use of the funds is restricted to a specific purpose by law.

Property Taxes

71.0% - \$28.3M

Fuel Tax

19.1% - \$7.6M

License & Permits

9.7% - \$3.9M

Miscellaneous

0.3% - \$105K

Expenses

Pavement Maintenance & Snow Removal

12.3% - \$5.3M

Indirect Cost, Retired Employee Insurance, Bad Debt, Etc.

6.0% - \$2.6M

Capital Projects

43.9% - \$18.8M

Traffic Engineering

17.6% - \$7.5M

Admin

12.9% - \$5.5M

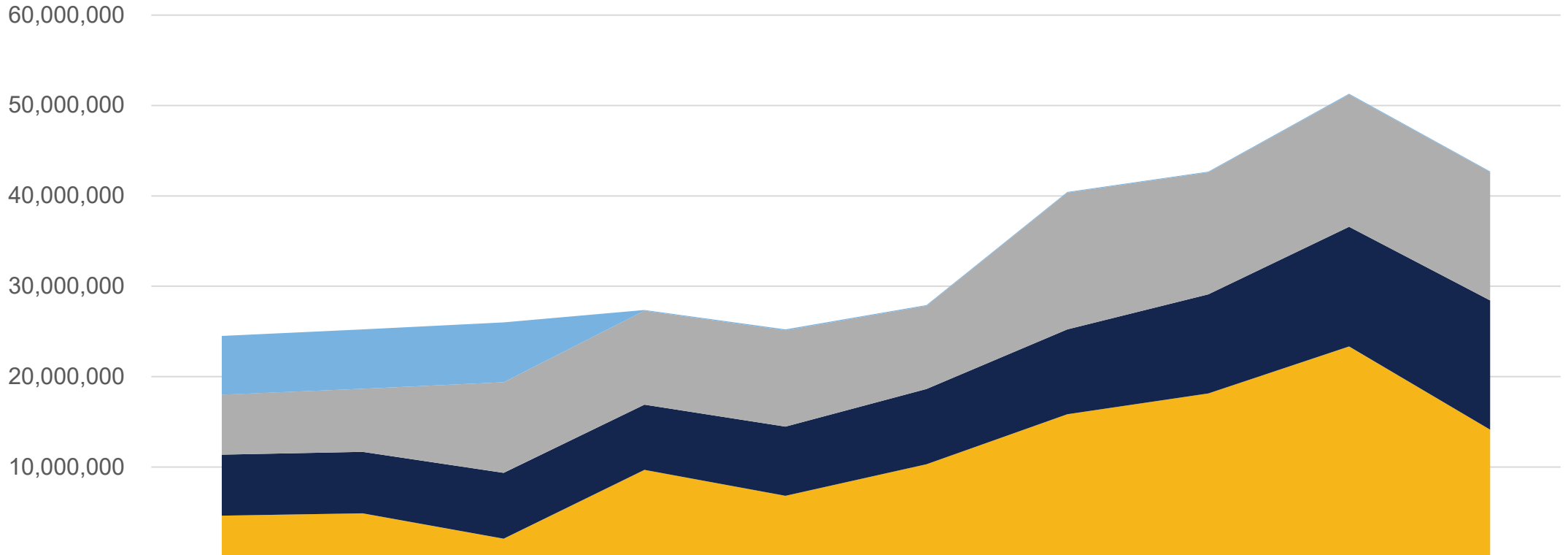
Paint & Sign

5.0% - \$2.1M

Street Sweeping

2.3% - \$978K

Street Fund History FY17-FY26



	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Estimated	FY26 Projected
■ Other Financing Uses	6,504,500	6,570,250	6,631,500	90,000	96,542	90,000	90,000	90,000	90,000	90,000
■ Services & Supplies	6,621,157	6,975,508	10,018,562	10,384,415	10,661,571	9,183,635	15,115,334	13,496,395	14,630,962	14,186,095
■ Salaries & Benefits	6,753,441	6,791,351	7,293,493	7,229,131	7,637,421	8,338,674	9,397,179	10,965,268	13,253,132	14,293,747
■ Capital Outlay	4,627,071	4,882,769	2,071,353	9,675,516	6,822,632	10,304,330	15,829,593	18,130,801	23,327,092	14,144,000

– Room Tax Fund – \$3.2M Revenue*

Expenses

Revenues
split 50/50

**Room Tax –
Council**

50.0%

**Room Tax –
Parks & Rec**

50.0%

Arts, Parks, and Historical Resources

\$1.7M Parks
\$300K Council
Parks
Maintenance
Support

\$125K
Lear Theater
Debt Payment

\$402K
Special Events
Staff Support

\$100K
Council
Projects

\$200K
Special Events
Donations

\$51K
Pioneer
Center

\$253K
Arts
Commission

\$20K
Keep Truckee
Meadows Beautiful

\$200K
Public Art Repair
& Maintenance

\$40K
Art in Public
Places

Infrastructure,
Climate
Change, &
Environmental
Sustainability

\$115K –
Downtown
Street lighting
Sternberg
Replacement

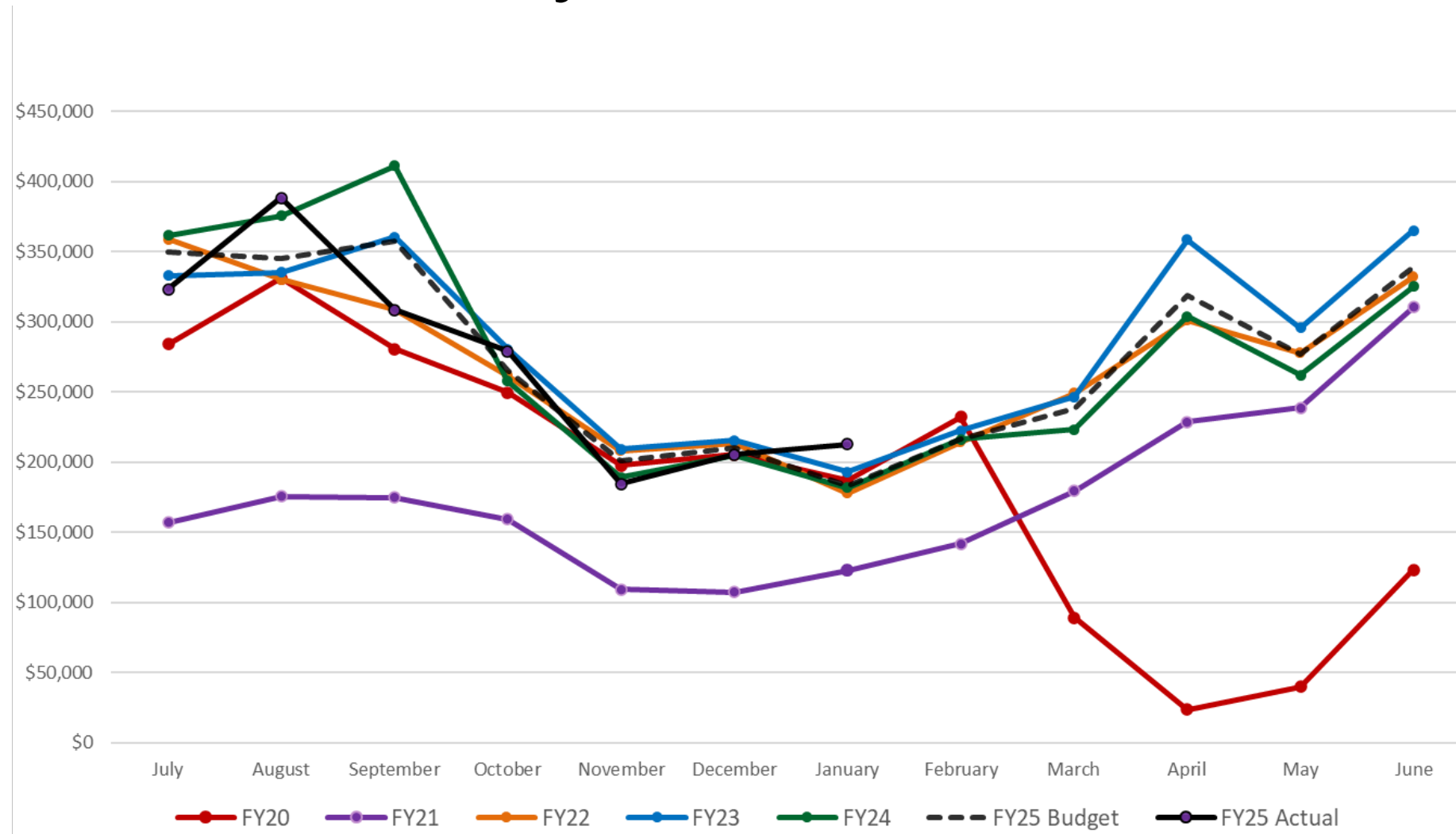
Governance &
Organizational
Effectiveness

\$6K – Risk
Premiums
\$18K – Indirect
Costs



* Does not include carry forward

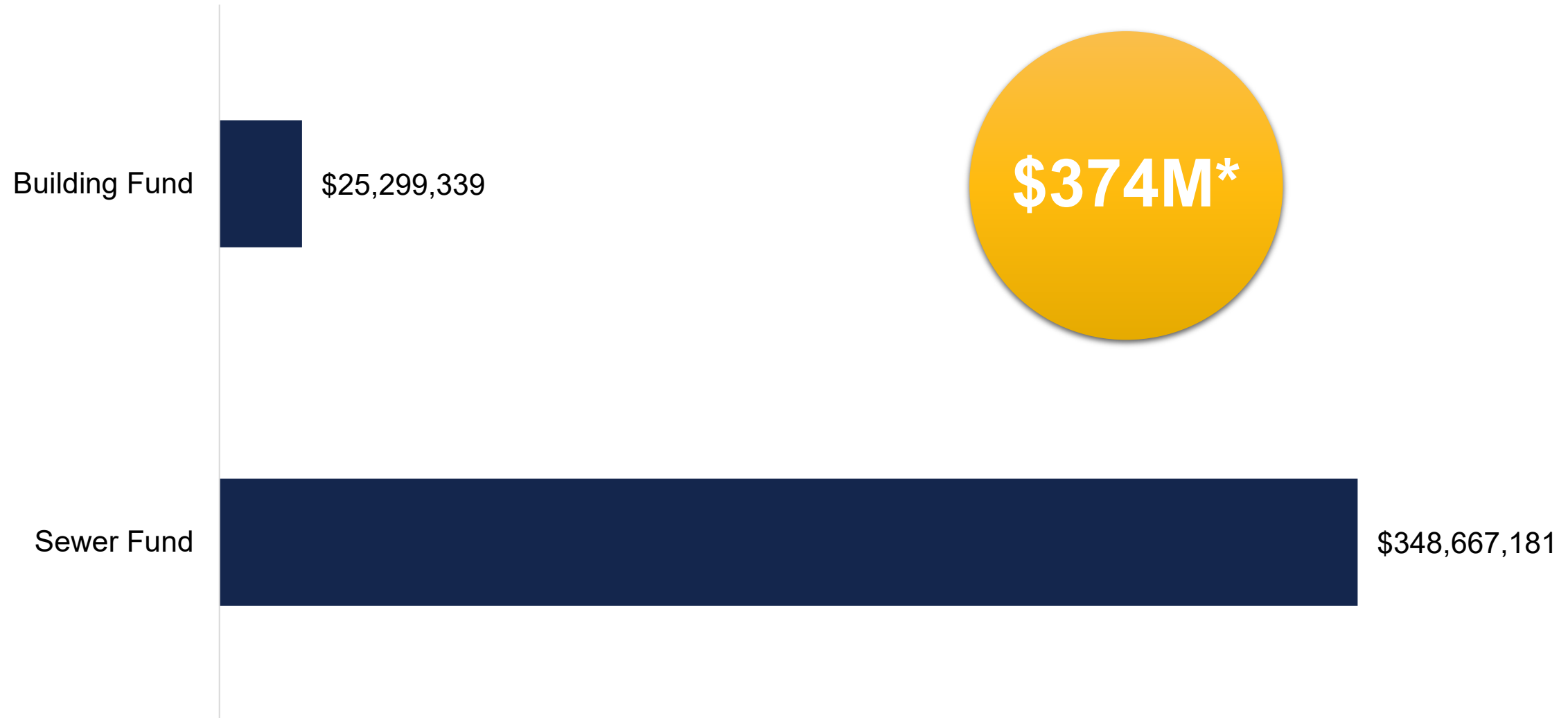
Room Tax History FY20 – FY25



Enterprise Funds



FY26 Enterprise Funds



— Building Fund — \$10.4M Revenue

An Enterprise fund is utilized to account for operations that behave like a private enterprise. The intent is that the costs of providing the service are recovered by the users of the service.

Revenues

Charges for Services

98.6% - \$10.2M

Miscellaneous

1.4% - \$150K

Expenses

Building Permits

59.78% - \$9.4M

Depreciation, Indirect Costs, Retired Employee Insurance, OPEB, Pension

24.81% - \$3.9M

Engineering Services

5.59% - \$874K

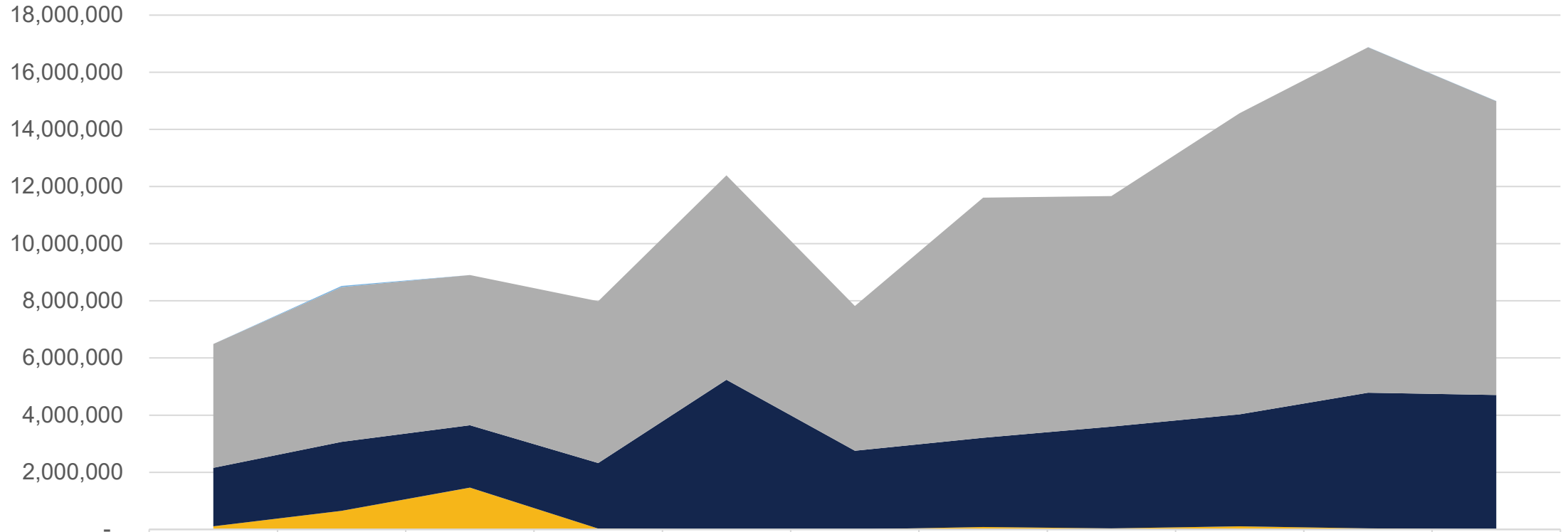
Land Use Planning

5.54% - \$866K

Program & Service Management

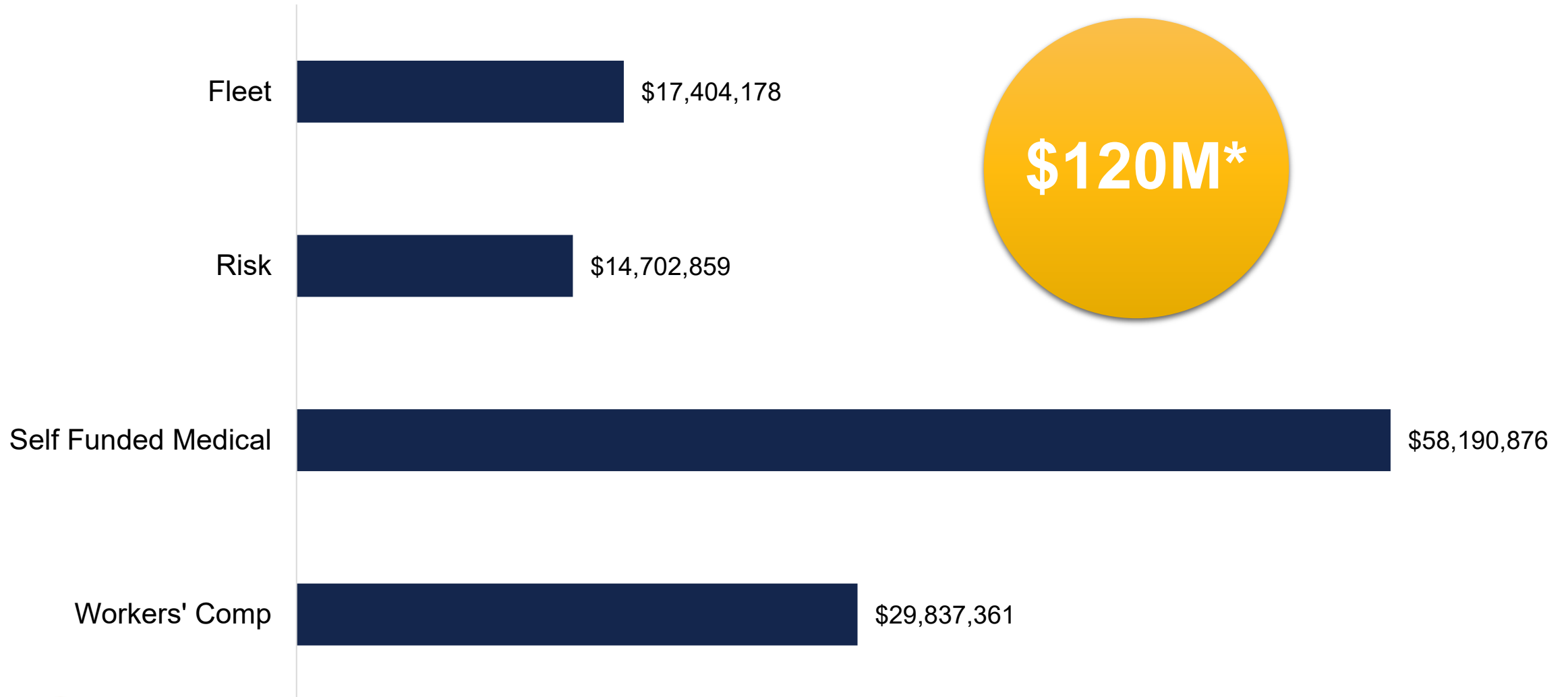
4.28% - \$670K

Building Fund History FY16 - FY26



	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Estimated	FY26 Projected
Other Financing Uses	-	41,406	-	-	-	-	-	-	-	-	-
Salaries & Benefits	4,337,722	5,416,799	5,253,784	5,667,742	7,153,666	5,062,638	8,406,076	8,071,426	10,539,813	12,093,687	10,290,741
Services & Supplies	2,043,493	2,408,500	2,185,740	2,295,036	5,236,998	2,754,621	3,121,823	3,562,782	3,923,954	4,741,755	4,701,383
Capital Outlay	110,254	652,731	1,460,997	27,060	-	-	86,741	35,113	105,337	40,000	-

FY26 Internal Service Funds



Internal Service Funds

Internal Service Funds are used to account for goods and services provided to other departments.

Fleet Fund - \$7.4M

Acquisition & maintenance of motor vehicle fleet

Salaries & Benefits

42.8% -
\$3.2M

Fuel

26.3% - \$2M

Parts & Repairs

11.8% - \$891K

Capital

5.3% - \$400K

*Training, Indirect,
Utilities, Risk,
Retired Empl.
Insurance, Misc.
Operating*

13.8% - \$1.0M

Risk Fund - \$8.8M

Self-funded general insurance program

Insurance Premiums

58.7% -
\$5.2M

Claims

18.1% - \$1.6M

Salaries & Benefits

14.1% - \$1.3M

Misc. Operating

9.1% - \$799K

Workers Comp Fund - \$10.4M

Self-funded workers' compensation program

Claims

77% - \$8M

Misc. Operating

18.6% -
\$1.9M

Insurance Premiums

4.3% -
\$450K

Self-funded Medical Funds - \$40.5M

Group health and accident insurance program

Claims

88.4% -
\$35.8M

3rd Party Administrator

7.5% - \$3M

***Indirect Costs,
Supplies,
Misc. Operating***

4.1% -
\$1.6M



*All percentages exclude depreciation & cash balances

Fee Schedule



Fee Schedule

- As part of the budget adoption preparation, staff analyzes and updates the City's comprehensive list of fees and charges for services, applying consumer price index (CPI) percentage to applicable fees.
- Not all fees are increased by CPI due to market rates or fees established under Nevada Revised Statutes (NRS).
- After fees are prepared by staff and reviewed by Finance, they are sent to City Boards and Commissions for feedback before presenting to Council for adoption at the public hearing in May.

CPI History

FY19 – 3.1%

FY20 – 3.1%

FY21 – 2.8%

FY22 – 1.5%

FY23 – 7.1%

FY24 – 6.2%

FY25 – 3.6%

FY26 – 2.5%

Notable Changes

- CPI
- Consolidation
- Rounding
- New Fees
- Greater than CPI Increases
- Department Presentations



Notable Changes

- Building – Fire
 - Building Schedule Alignment
- Enforcement
 - Electric Vehicle Charging
 - Per hour to per kWh
- Maintenance & Operations
 - Signal Maintenance
- Municipal Court
 - Sealing of Record Fee
 - Supervision Fee
- Utility Services
 - Pretreatment Wastewater Discharge Permit – Hazard Class III-V

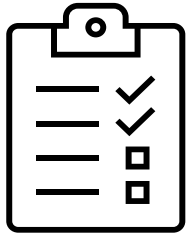
New Fees

- Fire
 - Inspection Late Fee
 - Overtime Special Event Inspection
 - Permit Fee
 - Permit Application Fee
- Police
 - No Loitering Sign
- Special Events
 - Furniture Set/Strike Fees for Plazas



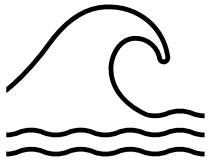
Fee Schedule Updates Public Works

Purpose of National Pollutants Discharge Elimination System (NPDES) Fee



Federally mandated

- Municipal Separate Storm Sewer Systems Permit (MS4)
- Monthly inspections



Protects Truckee River from polluted run-off

- RMC 18.04.303

Current NPDES Fee Structure

Issues with current fee:

- Lack of simplicity in calculating fee
- Not in line with neighboring cities
- Varying permit durations make expiring permits difficult to track

NPDES Annual Site Evaluation and Compliance for Stormwater Best Business Practices

If extreme factors below apply, then additional fees are applicable per acre per year or portion thereof

	FY25
Project Duration 7-12 Months	\$39.00
Project Duration 13-18 Months	\$77.00
Project Duration 19-24 Months	\$118.00
Combined slope and over 24 months*	\$210.00
1,000 feet from FEMA floodplain	\$39.00
Project has slopes 10:1 (10%) if steeper factor	\$76.00

Proposed NPDES Fee Changes

Benefits of changes:

- Federal mandate (MS4 compliance)
- Streamlined fee calculation
- More efficient administration and tracking of expiring permits
- Title accurately reflects work being performed

NPDES Annual Permit for Control of Construction Site Discharge (SWP Permit)	
<i>Fees are applicable per disturbed acre per year (1 acre minimum)</i>	
FY26	\$200.00 per disturbed acre



Fee Schedule Updates Parks & Recreation

Parks – User Fee Changes by Category



Greater than CPI/ Cost recovery

Adjust cost recovery rate to recover:

- Fields – Prep, Touch Up (Difference) (\$70 - \$75 to \$70 - \$100)
- Field Lights (\$15 to \$20)
- Staffing Per/HR Costs (\$25 to \$30)

Incremental RecConnect Membership (effective January 1st 2026):

- Annual Membership Full Facility Use (\$600 to \$620)
- Monthly with annual commitment (\$60 to \$62 for Head of Household)

Range Increase:

- Shelter [XL – Sm] Peak and Off-Peak Flexibility (\$90 -\$235)
- Full-day and Half-day options to increase use opportunities
- Gym rentals to account for size/amenity variations (\$85 to \$75 - \$125)

Misc.

- Equipment Replacement - AV (\$100 to \$105) | Adaptive Bikes (\$30 - \$300 to \$30 - \$400)
- Packages Rate consistency - Wedding (\$1200 to \$1300, Parties \$162 to \$190)

Parks – User Fee Changes by Category



New Fee

- New Facility Fees – Moana Springs Community & Aquatics Fitness Center (\$50 - \$400 to \$50 - \$800)
- Special Use Fee – Washoe County School District to host tournaments (\$12 - \$250)
- Outdoor Space rental by measurement to allow for rental flexibility of various park spaces. (grass meadow area, parking lot, other undefined areas. (\$85 to \$50 - \$150)
- Replace Quarterly Membership Pass with a Monthly Pass (Individual \$80, Add'l \$40, Youth \$20)
- Commemorative Purchase expansion to include all hard costs, plus overhead costs and expand options from trees to include bench, picnic tables, kiosk, etc. (\$5K - \$25K)
- Firewood moved to range to allow staff to offer discount for high inventory periods (\$80 to \$40 - \$85)



Fee Schedule Updates Development Services

Building Enterprise Fund Permit Fee

- Combined all valuation fee schedules (Permit, Mechanical, Plumbing and Electrical) into one fee schedules
- Simplified the fee tables by consolidating like-ranges

Valuation	FY26 Building Permit Fees** (Valuation Based)
\$0 to \$2,000	\$26.03 for the first \$500 plus \$3.44 for each additional \$100 or fraction thereof, to and including \$2,000
\$2,001 to \$25,000	\$77.63 for the first \$2,000 plus \$15.53 for each additional \$1,000 or fraction thereof to and including \$25,000
\$25,001 to \$50,000	\$434.82 for the first \$25,000 plus \$11.24 for each additional \$1,000 or fraction thereof to and including \$50,000
\$50,001 to \$100,000	\$715.82 the first \$50,000 plus \$7.80 for each additional \$1,000 or fraction thereof to and including \$100,000
\$100,001 to \$500,000	\$1,105.82 for the first \$100,000 plus \$6.00 for each additional \$1,000 or fraction thereof, to and including \$500,000
\$500,001 to \$1,000,000	\$3,505.82 for the first \$500,000 plus \$5.34 for each additional \$1,000 or fraction thereof, to and including \$1,000,000
\$1,000,001 and up	\$6,175.82 or the first \$1,000,000 plus \$3.56 for each additional \$1,000 or fraction thereof
Building Plan Review Fee - 65% of the Building Permit Fee.	
For Masters of Single Family New Construction within a subdivision, building plan review fee equals 50% of the estimated building permit fee. For Repeat permits of Masters, building plan review fee equals 25% of the estimated building permit. fee	
**The following permit types are examples of, but not inclusive of all, Valuation Based permits: New Construction, Remodel/Tenant Improvement, Addition, Demolition - Interior Only, Commercial HVAC/Rooftop, Commercial Boiler / Compressor, Swimming Pool & Spa, Photovoltaic System, Paint Spray Booth, Shed - over 200 sq ft with or without electrical, Garage (detached), Roof Drain - Rainwater System, Roofing or Reroofing, Lawn Sprinkler System - Commercial, Painted Signs over 20 sq ft, Billboard construction and modification.	

Building Enterprise Fund – Other Schedule

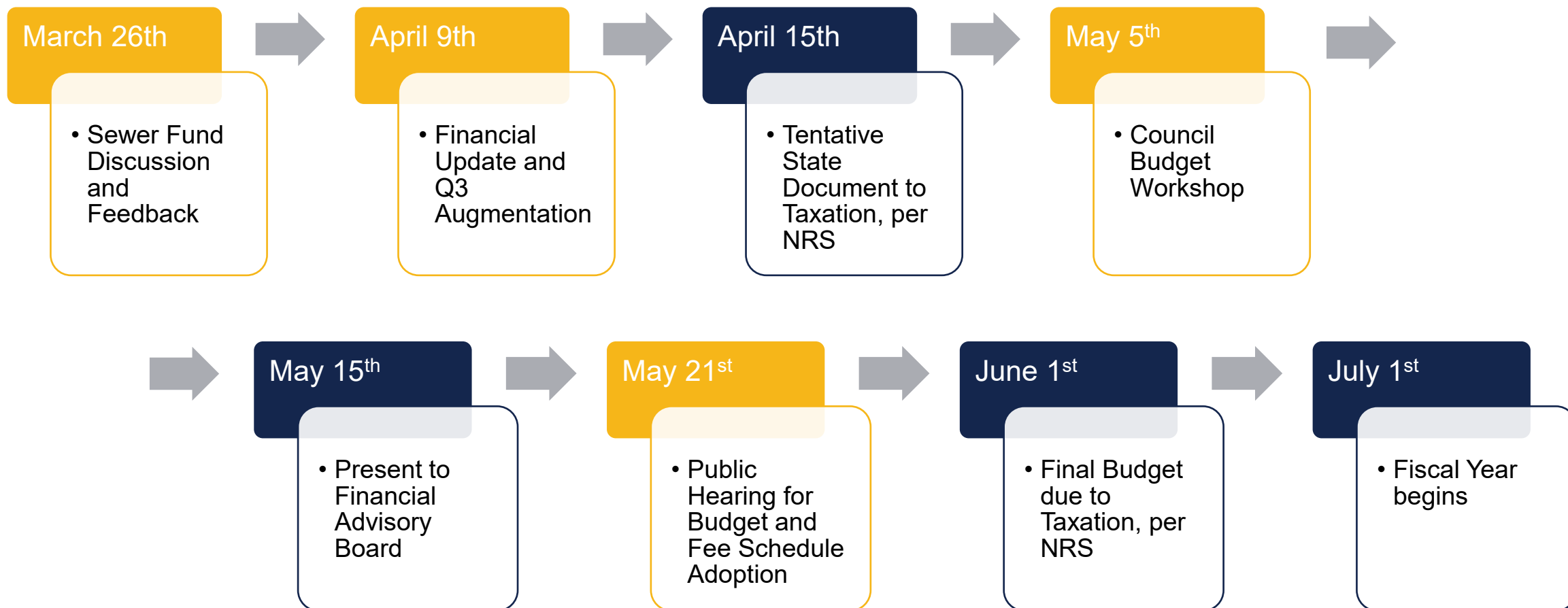
- No major changes
- Fees reorganized into more appropriate categories and duplicate fees removed
- Fees not related to Building were removed and added to the appropriate fee schedules

Planning Fees – General Fund

- Increased Annexation fee
- Added separate fees for public noticing
- Fees not related to Planning/Engineering were removed and added to the appropriate fee schedules
- Increased Land Use Appeal fees



Next Steps. . .



Recommended Motion

I move to direct staff to move forward with the development of the FY26 budget and fee schedule based on feedback from the Council.

Supplemental



Full-time Positions - All Funds

Department	% of FTE's in General Fund	General Fund	Grant Funds	Street Fund	Sewer Fund	Building Fund	Fleet Fund	Risk Fund	RDA	Grand Total
General Government										
City Attorney	91%	26.50		1.00			1.50			29.00
City Clerk	91%	10.00			1.00					11.00
City Council	100%	7.00								7.00
Civil Service	100%	5.00								5.00
City Manager	66%	15.75		2.00				6.25		24.00
Communications	100%	7.00								7.00
Council Relations	100%	6.00								6.00
DoIT	100%	30.00								30.00
Finance	64%	14.00		8.00						22.00
HR	85%	17.00					3.00			20.00
Policy and Strategy	100%	4.00								4.00
Community Support										
Business License	93%	13.00						1.00		14.00
Code Enforcement	92%	11.00						1.00		12.00
Community Relations	89%	8.00	1.00							9.00
Development Services	26%	18.20			51.80					70.00
HAND	25%	3.00	9.00							12.00
Public Safety										
Dispatch	100%	59.00								59.00
Fire	100%	337.00								337.00
Police	100%	452.00								452.00
Infrastructure										
Maintenance & Operations	16%	26.85	74.20	53.45		16.50				171.00
Public Works	18%	8.90	22.58	18.43	0.10					50.00
Utility Services	0%			35.00						35.00
Judicial										
Municipal Court	100%	54.00								54.00
Parks & Recreation										
Parks & Recreation	99%	96.50	1.00							97.50
Grand Total	80%	1,229.70	11.00	96.78	117.88	52.90	16.50	4.50	8.25	1,537.50